

HOUSE BILL 3297  
By Williams (Wil)

AN ACT to amend Tennessee Code Annotated, Section 8-44-102  
and Section 10-7-503, relative to making public the  
meetings and records of certain organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-44-102(b)(1), is amended by adding  
the following new subdivision:

(E) The board of directors of any association or nonprofit corporation authorized  
by the laws of Tennessee that is:

(i) established for the benefit of local government officials or counties,  
cities, towns or other local governments;

(ii) receiving dues, service fees or any other income from local  
government officials or such local governments that constitute at least thirty  
percent (30%) of its total annual income; and

(iii) authorized as of January 1, 1998, under state law to obtain coverage  
for its employees in the Tennessee consolidated retirement system.

SECTION 2. Tennessee Code Annotated, Section 8-44-102, is amended by deleting  
subsection (d) in its entirety and substituting instead the following:

(d) All records of any association or nonprofit corporation described in  
Tennessee Code Annotated, Section 8-44-102(b)(1)(E); provided, however, any such

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organization shall not be subject to the requirements of this subsection so long as it complies with the following requirements:

(1) The board of directors of the organization shall cause an annual audit to be made of the financial affairs of the organization, including all receipts from every source and every expenditure or disbursement of the money of the organization, made by a disinterested person skilled in such work. Each audit shall cover the period extending back to the date of the last preceding audit and it shall be paid out of the funds of the organization.

(2) Each audit shall be conducted in accordance with the standards established by the comptroller of the treasury pursuant to Section 4-3-304(9) for local governments.

(3) The comptroller of the treasury, through the department of audit, shall be responsible for ensuring that the audits are prepared in accordance with generally accepted governmental auditing standards and determining whether the audits meet minimum audit standards which shall be prescribed by the comptroller of the treasury. No audit may be accepted as meeting the requirements of this section until such audit has been approved by the comptroller of the treasury.

(4) The audits may be prepared by a certified public accountant, a public accountant or by the department of audit. If the governing body of the municipality fails or refuses to have the audit prepared, the comptroller of the treasury may appoint a certified public accountant or public accountant or direct the department of audit to prepare the audit. The cost of such audit shall be paid by the organization.

(5) Each such audit shall be completed as soon as practicable after the end of the fiscal year of the organization. One (1) copy of each audit shall be

furnished to the organization and one (1) copy shall be filed with the comptroller of the treasury. The comptroller's copy shall be available for public inspection. Copies of each audit shall also be made available to the press.

(6) In addition to any other information required by the comptroller of the treasury, each audit shall also contain:

(A) A listing, by name of recipient, of all compensation and any other remuneration paid by the organization during the audit year to, or accrued on behalf of, the organization's directors and officers or to any employee of the organization who receives more than twenty-five thousand dollars (\$25,000) in remuneration for such year.

(B) A listing, by name of beneficiary, of any deferred compensation, salary continuation, retirement or other fringe benefit plan or program, (excluding qualified health and life insurance plans available to all employees of the organization on a nondiscriminatory basis) established or maintained by the organization for the benefit of any of the organization's directors, officers or employees, and the amount of any funds paid or accrued to such plan or program during the audit year.

(C) A listing, by name of recipient, of all fees paid by the organization during the audit year to any contractor, professional advisor or other personal services provider, which exceeds two thousand five hundred dollars (\$2,500) for such year. Such listing shall also include a statement as to the general effect of each contract.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

